

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 312 – SB 419

March 19, 2013

SUMMARY OF ORIGINAL BILL: Authorizes the free issuance of a new specialty license plate for any active-duty firefighter in good standing and up to date with training requirements.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue - \$455,100/Highway Fund
\$9,300/General Fund

Increase State Expenditures - \$92,100/One-Time

SUMMARY OF AMENDMENT (004666): Adds language to the bill authorizing a member of a rescue squad that is part of a volunteer fire department or full-time firefighting unit to be eligible for the special firefighter registration plate.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Revenue - \$528,900/Highway Fund
\$10,800/General Fund

Increase State Expenditures - \$106,900/One-Time

Assumptions for the bill as amended:

- There are approximately 21,600 firefighter plates currently issued.
- The annual fee for the current firefighter plate is \$21.50.
- All firefighters currently paying for existing firefighter plates will choose to receive the new plate free of charge.
- The recurring decrease in state revenue associated with the firefighters is estimated to be \$464,400 (\$21.50 current price x 21,600 currently-issued firefighter plates).
- Based upon information provided by the Tennessee Association of Rescue Squads, it is estimated that approximately 3,500 rescue squad members would receive the free license plate.

- The recurring decrease in state revenue associated with the rescue squad members is \$75,250 (\$21.50 current price x 3,500 rescue squad members).
- The total recurring decrease in state revenue is estimated to be \$539,650 (\$464,400 + \$75,250).
- Pursuant to Tenn. Code Ann. § 55-6-107, revenue from the current plates is apportioned 98 percent to the Highway Fund and two percent to the General Fund.
- The recurring decrease in state revenue to the Highway Fund is estimated to be \$528,857 (\$539,650 x 98%).
- The recurring decrease in state revenue to the General Fund is estimated to be \$10,793 (\$539,650 x 2%).
- A one-time cost of approximately \$250 to design the new plate.
- The cost to manufacture each new plate is \$4.25.
- The one-time increase in state expenditures to design and manufacture the new plates is estimated to be \$106,925 [(\$4.25 x 25,100) + \$250].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/cce